

BACKGROUNDER

NINTENDO POISED FOR SECOND CENTURY OF SUCCESS

– Expanding the Realm of Family Entertainment Accounts for Success –

Nintendo Co. Ltd. of Kyoto, Japan, the parent company of Nintendo of America Inc., enters its second century as a manufacturer of family leisure products.

Nintendo^R is a leader in the home entertainment systems category, and a major contributor to the resurging popularity of video games in this country.

Founded in 1889 to manufacture and distribute Japanese playing cards known as "Hanafuda," Nintendo Co. Ltd. entered the electronic toy marketplace in 1970 with the introduction in Japan of a hand-held computer game featuring a liquid-crystal screen. In recent years, Nintendo has introduced a variety of electronic entertainment products, both hardware and software, including the Family Computer (Famicom), an advanced video game system introduced to Japan in 1983.

Since the Famicom's introduction, Japanese consumers have purchased over 14.5 million hardware units and nearly 170 million units of software, earning Nintendo a 90 percent market share and greater than 38 percent penetration of Japanese households. The forerunner of the Nintendo Entertainment System,^R (NES) the Famicom features the advanced technology, graphics and speed of an arcade game.

-- more --

Nintendo Poised
2-2-2-2-2

In the United States, Nintendo of America Inc. is a major force in the commercial and home video game markets. This expertise in the coin-op business, combined with the success story of the Famicom in Japan, helped Nintendo of America Inc. develop the Nintendo Entertainment System.

With the NES, Nintendo has combined the latest Japanese technology with a well-developed sense of American demands in video home entertainment systems. Led by company President Minoru Arakawa, Nintendo of America Inc. has an ongoing commitment to the production of challenging and innovative products with broadbased consumer appeal. For example, Nintendo has developed several unusual accessories for its home system, including a computerized knitting machine, an information network home disk-fax, an external disk drive and an interactive exercise mat called the NES Power Pad.TM

Additionally, Nintendo has created some of the most successful software titles ever sold in the U.S., including "Super Mario Bros,"^R "Donkey Kong,"^R "The Legend of Zelda,"^R and "Mike Tyson's Punch Out!!"^R

-- more --

Nintendo Poised
3-3-3-3

Nintendo is also the first video game manufacturer to offer software with a programmability function and lithium-powered memory. This year, Nintendo introduced a new product line, called the Game BoyTM system. This portable video game system features interchangeable cartridges and offers both multi-player action and stereo sound.

Nintendo of America Inc. sells personal, home and arcade video games in the United States. The Redmond, Washington-based company is the headquarters for the company's marketing operations in North America; and is a subsidiary of the world's largest manufacturer and marketer of video games, Nintendo Co. Ltd.

#

For more information: Richard Lindner
or Lynne Gray
Hill and Knowlton Inc.
213/937-7460

ninback